

**INSTRUCTIONS
FORM DEQ 50-11S**

GENERAL

For tax years beginning on and after January 1, 1993 but before January 1, 2004, those individuals and corporations which qualify under Code of Virginia §§ 58.1-338, and 58.1-439.7 may receive an income tax credit for the purchase of machinery and equipment used exclusively in or on the premises of manufacturing facilities or in plant units which manufacture, process, compound or produce items of tangible personal property from recyclable materials, within the Commonwealth. For those corporations qualifying under § 58.1-439.8 of the Code of Virginia, the tax years are on and after January 1, 1998 but before January 1, 2003. The credit is an amount equal to ten percent of the purchase price paid during the taxable year, but shall not exceed forty percent of the Virginia income tax liability of such taxpayer (Code of Virginia §§ 58.1-338, and 58.1-439.7), or sixty percent of the Virginia income tax liability for those corporations qualifying under § 58.1-439.8 of the Code of Virginia. This is a nonrefundable credit, however, if the allowable credit exceeds the Virginia tax liability for the taxable year in which the purchase price on recycling machinery and equipment was paid, it may be carried over for credit against the individual's or corporation's income taxes in the ten succeeding taxable years until the total credit is used (Code of Virginia §§ 58.1-338, and 58.1-439.7), or in the case of those corporations qualifying under § 58.1-439.8 of the Code of Virginia, twenty succeeding years.

The machinery and equipment must be certified by the Department of Environmental Quality as integral to the recycling process in accordance with §§ 58.1-338, 58.1-439.7 and 58.1-439.8 of the Code of Virginia.

The Department of Environmental Quality has developed this form to assist persons applying for the machinery and equipment certification, and to expedite the certification process. However, you are not required to use this form to apply for certification.

PART I

Enter the name, address, phone number, and account number, of the individual or corporation as it appears on the Virginia income tax return.

PART II

Enter the name and physical address of the facility where the machinery and equipment are located. Provide a detailed description of the machinery and equipment and its intended use in the facility with drawings, specifications and operating parameters.

Attach any necessary descriptions or documents which demonstrate the use of the machinery and equipment. Mail the completed form and attachments to the address below:

Department of Environmental Quality
Attention: Machinery and Equipment Certification Officer
629 East Main Street
Richmond, VA 231219, or
PO Box 10009
Richmond, VA 23240-0009

For assistance with this form call:

(804) 698-4145 Department of Environmental Quality
(804) 698-4021 TDD

Upon certification, the form and attachments will be returned to you. In order to qualify for a state income tax credit, the form (or other certification document) along with documentary proof of the purchase price paid (original cost plus other capitalized costs incurred to put the machinery or equipment in service, but not including capitalized interest), will need to be attached to your Virginia income tax return when filed with the Department of Taxation.

For assistance on tax matters call: (804) 367-8104 Department of Taxation